

---

## CITY OF TEMPE REQUEST FOR COUNCIL ACTION

Council Meeting Date: 10/3/2013

Agenda Item: 5B8

---

**ACTION:** Approve the first amendment to the second agreement between Competitor Group, Inc., the Tempe Tourism Office, and the City of Tempe to host the start of the Rock 'n' Roll Half Marathon, and the finish line of both the Rock 'n' Roll Marathon and Half Marathon.

**FISCAL IMPACT:** City of Tempe and the Tempe Tourism Office will share costs associated with this agreement based upon previous agreements with City Council and the Tempe Tourism Office board approvals. Sufficient City of Tempe funds have been appropriated in Community Services cost center 2522 (General Fund) for the potential \$90,000 direct expenditures. The potential \$90,000 direct expenditure includes \$50,000 base payment and up to an additional \$40,000 based on Competitor Group, Inc., achieving Tempe hotel room nights and registered out of state participant milestones. In-kind City of Tempe services valued at \$104,000 are met through participating departments' general fund cost centers (Solid Waste 3722, Tempe Police 2276, Tempe Fire 2342, Traffic Operations 3826, and Custodial 3289).

**RECOMMENDATION:** Approve the amendment.

**BACKGROUND INFORMATION:** The first agreement covered ten (10) years, while the second agreement (C2012-177) is a one-year agreement with four optional one-year extensions. This is the first of the four (4) optional extensions. On January 19, 2014 City of Tempe will host the Rock 'n' Roll Half and Full Marathon (RnR), one of the premier races in the RnR series produced by Competitor Group, Inc. (CGI). City of Tempe is guaranteed 10,036 room nights. Costs for City of Tempe and Tempe Tourism Office are as follows:

- a. City of Tempe and the Tempe Tourism Office shall each pay CGI Fifty Thousand Dollars (\$50,000) for a total of \$100,000 by October 15, 2013.
- b. City of Tempe and the Tempe Tourism Office shall each make payments to CGI by March 31, 2014, contingent on CGI achieving certain registered out-of-state participant milestones as follows:
  - Total registered out-of-state participants between 11,446-12,590: \$ 7,500
  - Total registered out-of-state participants between 12,591-13,162: \$12,500
  - Total registered out-of-state participants between 13,163-13,734: \$17,500
  - Total registered out-of-state participants between 13,735 or more: \$20,000
  - "Registered out-of-state participants" means a participant who lists a home address outside of the state of Arizona when registering with CGI for the RnR.
  - Each participant milestone represents a single total payment each from City of Tempe and Tempe Tourism Office. Milestone payments are not cumulative. Thus, reaching the 13,735 milestone means a total payment to CGI of \$40,000 (\$20,000 from both City of Tempe and Tempe Tourism Office).
- c. City of Tempe and Tempe Tourism Office shall each make payments to CGI by March 31, 2014, contingent on CGI achieving certain Tempe hotel room night milestones as follows:
  - 10,036 – 10,453 Tempe hotel room nights \$ 7,500
  - 10,454 – 10,871 Tempe hotel room nights \$12,500
  - 10,872 – 11,289 Tempe hotel room nights \$17,500
  - 11,290 or more Tempe hotel room nights \$20,000
  - "Tempe hotel room nights" shall be determined based on the "hotel room night" figures for the City of Tempe, as published in the annual Economic Impact Report commissioned by CGI and independently prepared by San Diego State University (SDSU) or a similar accredited outside agency.
  - Each hotel room night milestone represents a single total payment each from City of Tempe and Tempe Tourism Office. Milestone payments are not cumulative.

- No hotel room night milestone payments shall be made if CGI fails to commission the annual Economic Impact Report from SDSU.

**ATTACHMENTS:** Amendment

**STAFF CONTACT(S):** Kelly Rafferty, Deputy Community Services Director – Recreation Services, (480) 350-5182

Department Director: Shelley Hearn, Community Services Director

Legal Review by: Dave Park, Assistant City Attorney

Prepared by: Kelly Rafferty, Recreation Deputy Director